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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 000846

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E.O. 12958: DECL: 03/17/2017  
TAGS: [PREL](#) [KWBG](#) [ECON](#) [KPAL](#) [PBTS](#) [EG](#) [IS](#)  
SUBJECT: EU-BAM REQUESTS USG ASSISTANCE FOR RAFAH  
NORMALIZATION

Classified By: Ambassador Richard H. Jones: Reasons 1.4 (B and D).

11. (C) Summary/comment: In a March 17 meeting with the Ambassador, EU-BAM Commander LTG Pietro Pistolese requested USG assistance for the EU's efforts to return to normalized operation of the Rafah Crossing Point. Pistolese said that Israel's continued failure to sign the Customs Protocol was keeping Kerem Shalom from being operated as the intended alternative to Rafah and strongly recommended that we redouble our efforts to persuade the GOI to complete this process. As an alternative to exports from Rafah, Pistolese recommended that we turn our attention to opening the Gaza Airport for cargo exports only. Helping the Palestinians secure GOI agreement to Pistolese's recommendations could have a significant impact on the Gaza economy, and orchestrating their announcement in a way which attributed the success to President Abbas could help strengthen him and contribute to a more favorable political environment in Gaza for Fatah by the fall. In this regard, we may wish to: (1) continue to support EU/BAM efforts to normalize Rafah operations, including raising the issue in the Secretary's upcoming meetings with Olmert and Peretz; (2) push for GOI signature of the Customs Protocol as soon as possible, including in the Secretary's meetings with Olmert and Livni; (3) once the Customs Protocol is signed, begin efforts to persuade Egypt to route oversized goods and large amounts of cash through Kerem Shalom instead of Rafah; and (4) once the Customs Protocol is signed, begin raising the possibility of direct cargo exports from Gaza in discussions with PA and GOI officials, which could be accomplished by exports via Rafah or the Gaza airport -- though opening the airport would be a tough sell with the GOI at present. End Comment and Summary.

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EU/BAM Mandate Renewal Hinges on Normalization  
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12. (SBU) The Ambassador met with EU/BAM Commander LTG Pietro Pistolese on March 17 for a review of the current state of play prior to Pistolese's return to Europe for consultations. Pistolese said that the EU/BAM's current mandate would expire on May 24. He expected that a decision on renewal would not be made until about one month beforehand. In the meantime, the EU will push for normalization. Pistolese recommended that we continue to push for full normalization of Rafah operations. In addition to a regular operating schedule, he said that normalization should include the scanning of vehicles as well as allowing exports from Rafah.

13. (SBU) As part of the EU's push for normalization at Rafah, Marc Otte will be in the region next week for consultations with GOI officials. If the situation does not improve significantly, Pistolese suggested that he might recommend a renewal for less than one year, perhaps even for as short as one month. He also suggested that the EU/BAM could move its

base of operations to the Egyptian side of the crossing. However, he noted that the GOI could still shut the crossing by closing the liaison office at Kerem Shalom. Opening the crossing without opening the liaison office would in his opinion be a violation of the AMA and he made it clear that the EU/BAM would not agree to this.

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Rafah Crossing Stats  
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14. (SBU) Pistolese provided a statistical summary comparing operations prior to the Shalit kidnapping and since. For the 212 days prior to the kidnapping, the crossing was open 211 days and the number of people crossing (in both directions) averaged 1324 per day of operation or 1318 per day overall. For the 266 days since the kidnapping, the crossing has been open only 54 days. During this period throughput has averaged 1949 per day of operation and only 395 per day overall.

15. (SBU) The sharp reduction in days of operation has led to a sharp decline in the total number of people traveling but at the same time has increased dramatically the number who attempt to transit on days the crossing is open. At times this has led to very unruly situations. Pistolese said that he has discussed this situation on numerous occasions with GOI officials, who maintain that irregular operations are necessary to foil terrorist plans, including especially travel for training outside the country. He said that he finds this argument totally unconvincing. So far the GOI has only agreed to open the crossing three days per week and not on any fixed schedule.

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Importance of Customs Protocol  
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16. (SBU) Another factor complicating Rafah operations according to Pistolese was the failure of the Egyptian side to exert proper control over efforts to bring goods through the crossing. He provided pictures of buses laden with boxes of disallowed goods waiting to be returned to Egypt, including some with inflatable boats and even outboard motors as well as computer equipment, food, luxury goods and so on. Most of these goods would not normally be considered contraband, but their import through Rafah was not allowed by the AMA. Pistolese added that Egyptian reluctance appears to be the main stumbling block to exports from Rafah. He questioned why this is so, since exported goods could easily be restricted to those destined for markets outside of Egypt.

17. (SBU) Unfortunately, according to Pistolese, Israel's continued failure to sign the Customs Protocol was keeping Kerem Shalom from being operated as the intended alternative. He strongly recommended that we redouble our efforts to persuade the GOI to complete this process. He reported that he understood that Kerem Shalom may soon be opened for traffic from Israel to Gaza. He thought this might eventually pave the way for opening its gate to Egypt, too. He also noted that even once the Customs Protocol is signed, Egypt would have to agree to cooperate by routing goods and large sums of cash through Kerem Shalom. He noted that large shipments of cash through Rafah seemed to have stopped since Haniyah's last failed effort, although this may be temporary. Pistolese said he could not judge whether the letters that ConGen Jerusalem and Embassy Tel Aviv sent to our respective hosts after that incident had had an effect or not.

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Pistolese Suggests Routing Cargo through Gaza Airport  
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18. (SBU) As an alternative to exports from Rafah, Pistolese

recommended that we turn our attention to opening the Gaza Airport for cargo exports only (and perhaps humanitarian Hajj flights in season). He was confident that procedures could be developed to ensure the safety of such operations and suggested that the EU would be ready to expand his mandate to assist in this regard.

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